

# **FISCAL NOTE**

## **HB 3217 - SB 3345**

March 17, 2004

**SUMMARY OF BILL:** Removes monthly cable service and equipment charges from sales tax liability and imposes a nine percent privilege tax upon these items. The privilege tax would be allocated 82% to state governments and 18% to local governments.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$102,400 / One-Time  
\$12,600 / Recurring**

**Decrease State Revenues - \$21,200,000**

**Decrease Local Govt. Revenues - \$4,300,000**

Estimate assumes:

- Because the privilege tax imposed by this bill is located in 67-4-2401, which takes effect on the first day after the second quarter of the effective date of the Streamlined Sales Tax Agreement, the result of the change is that cable services and equipment go untaxed until January 1, 2005, at the earliest. This estimate assumes that the state loses only six months of revenue. If adoption of the Streamlined Sales Tax takes longer, state and local governments could be subject to significantly higher decreases in revenue.
- FY02-03 state sales tax collections of \$42,800,000 and local government collections of \$8,600,000.
- One-time cost associated with this bill is for systems changes required by the Department of Revenue to implement provisions of the bill.
- Recurring costs associated with this bill are for electronic collections costs required due to the provisions of the bill.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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